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JANE BURGIO

Secretary of State

CERTIFICATE OF INCORPORATION

OF

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

To: The Secretary of State  
State of New Jersey

The undersigned, of the age of eighteen years or over,  
for the purpose of forming a corporation pursuant to the provisions  
of Title 14A, Corporations, General, of the New Jersey Statutes, does  
hereby execute the following Certificate of Incorporation:

FIRST: The name of the corporation is:

K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

SECOND: The purposes for which this corporation is  
organized are:

To operate under N.J.S.A. 40:55C-1 et seq., and to initiate  
and conduct projects for the clearance, replanning, development and redevelopment  
of blighted areas in the City of Newark, and to acquire by purchase or  
lease of not less than 15 years from a public or private owner, to plan,  
develop, construct, alter, maintain or operate housing, business, industrial,  
commercial, cultural, or recreational projects or any combination of any two  
or more such types of improvement in a single project, under such conditions  
as to use, ownership, management and control as regulated pursuant to N.J.S.A.  
40:55C-41 et seq.

So long as the Corporation is obligated under a financial agree-  
ment with the City of Newark, it shall engage in no business other than the  
development, redevelopment, ownership, operation and management of the project  
referenced in that agreement.

The Corporation declares that it has been organized to serve a public purpose, that its operations shall be directed toward providing for and making possible the clearance, replanning, development or redevelopment of blighted areas, or the acquisition, management, and operation of a project in the City of Newark. It further declares that it shall be subject to regulation by the City of Newark, pursuant to N.J.S.A. 40:55C-41 et seq., and to a limitation on profits and dividends for so long as it remains the owner of a project subject to that act, or is by contract or resolution charged with responsibility for administration and management of a condominium or condominium property pursuant to N.J.S.A. 46:8B-1.

The Corporation shall not voluntarily transfer the project undertaken by it under the terms of N.J.S.A. 40:55C-41 et seq. until it has removed both itself and the project from all restrictions of that Act; providing that the foregoing restriction shall not be applied to prevent the transfer of a project to another urban renewal entity, which, with the consent of the City of Newark, shall assume all the contractual obligations of this Corporation under the financial agreement with the City of Newark.

THIRD: The aggregate number of shares which the corporation shall have the authority to issue is

2,500 Shares Without Nominal or Par Value

FOURTH: The name and address of the corporation's initial Registered Agent therein is

|                         |   |
|-------------------------|---|
| Peter S. Reinhart, Esq. | 10 Highway 35<br>P.O. Box 500<br>Red Bank, New Jersey 07701 |
|-------------------------|---|

FIFTH: The number of directors constituting the initial Board of Directors shall be six and the names and addresses of the directors are as follows:

|                         |  |
|-------------------------|--|
| Kevork S. Hovnanian     | 29 Ward Avenue<br>Rumson, New Jersey 07760                         |
| Ara K. Hovnanian        | 61 Whipporwill Valley Road<br>Atlantic Highlands, New Jersey 07716 |
| Paul W. Buchanan        | 8 Blueberry Lane<br>Leonardo, New Jersey 07737                     |
| Timothy P. Mason        | 22 Devon Drive<br>Piscataway, New Jersey 08854                     |
| Peter S. Reinhart, Esq. | 2 Bayhill Road<br>Leonardo, New Jersey 07737                       |

John J. Schimpf

227 Pelican Road  
Middletown, New Jersey 07748

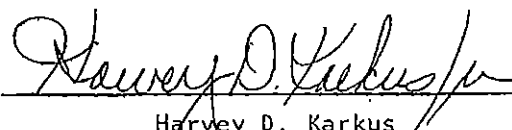
SIXTH: The name and address of the Incorporator is as follows:

Harvey D. Karkus

86 Smith Street  
P.O. Box 618  
Perth Amboy, New Jersey 08862

IN WITNESS WHEREOF, the undersigned, the Incorporator of the above-named Corporation, has hereunto signed this Certificate of Incorporation.

Dated: March 7, 1989

  
Harvey D. Karkus

Filed By:

Karkus Press  
86 Smith Street - P.O. Box 618  
Perth Amboy, New Jersey 08862

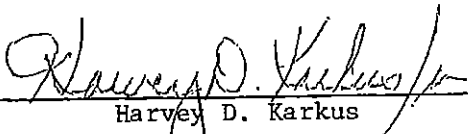
STATEMENT BY INCORPORATOR OF ACTION TAKEN  
IN LIEU OF ORGANIZATION MEETING OF  
K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.

The undersigned, being all of the incorporators of  
K. HOVNANIAN AT NEWARK URBAN RENEWAL CORPORATION III, INC.  
a New Jersey corporation, in lieu of an organization meeting  
hereby states that the following action is taken to organize  
the corporation:

1. By-Laws relating to the business of the corporation  
and the conduct of its affairs and the rights and powers of the  
corporation, its shareholders, directors and officers as prepared  
by counsel for the corporation are appended to this statement.

2. The following persons are designated, nominated, and  
elected as the directors of the corporation to serve until the  
first annual meeting of shareholders or until their successors are  
elected and qualified:

Dated: March 13, 1989

  
\_\_\_\_\_  
Harvey D. Karkus